PRESIDENT'S ADVISORY PANEL ON FEDERAL TAX REFORM

Letter to Advisory Panel on Federal Tax Reform

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3/7/05
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Dear Advisory Panel,

I am strongly for aggressive tax reform. I would like to see it thrown out and replaced with a consumption tax, because it is complicated, deters motivation to move ahead, and is corrupt.

I am a stay at home mom with three boys and we live on my husband's income of \$50,000. Despite the simplicity of this statement, we have had to hire a tax consultant for 4 years in order to dredge through what we do or do not owe. Why incur additional costs onto the already heavy burden that we carry? Also, can I ask why we must claim a REBATE (i.e., you took too much from us) as income the next year? If this is someone's idea of a joke, it's not funny.

I have considered doing contract work to bring in more money for our family (so we can finally start saving!). However, we must look at the amount I'll bring in so that we don't get bumped into a higher tax bracket. Why would you have a system that discourages risk taking, motivation, and future planning, and encourages working less and being forced to stay in one's place? (Sadly, that sounds like a caste system). It is completely opposite of everything that America stands for. Why would a system be set up to hinder the basic beliefs and goals of this country and its citizens--not to mention the principles of our forefathers?

We are in the early stages setting up a small business. It is difficult that we are forced to choose between saving for our boys' educations, saving for retirement, or trying to make a better life for us all by taking a risk (tightening the belt even further). The tax system makes it even more difficult. At every stage, we must look into the tax burdens, tax laws, tax complexities and base decisions on this. We have even chosen to reign in growth, because of the tax laws currently in place. Again, this is a system that is discouraging hard work, instead of encouraging prosperity. It seems that we cannot make many of our personal decisions without basing them on the tax repercussions. The taxes should just be a figure on our cost analysis, not the deciding vote.

This system is corrupt. When I hear stories of the ways that the earned income tax credit is abused I am angered and frustrated. What are you forcing me to help fund? And that is only the tip of the iceberg. In addition, I do not like how elected officials try to use changes and "incentives" in the tax system during election time. It should be illegal that they can tilt the scales for votes. Of course people vote based on money, they have to. We have no choice about whether or not it is going to be taken. Further, what about all of the illegal money floating around in this country? If you can't catch them, maybe at least you could tax them with a consumption tax!

Lastly, the IRS is intimidating and out of control. I recently read a figure that stated that the Federal Government overcharged the citizens by billions of dollars. Surely, the complexity that is inherent in this system isn't on purpose. That is one heck of an oversight.

The goals I believe you should strive to achieve when restructuring this ridiculous system are 1)simplicity (the Fair Tax), 2)fairness(the Fair Tax), 3)mirroring the ambition and bravery of American values and opportunity, thus encouraging hard work and prosperity (the Fair Tax), 4) giving citizens a feeling of control over the amount they contribute in funding the government and that encourages savings (the Fair Tax), and 5)take away politicians ability to use taxes to get votes(the Fair Tax).

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Thank you so much for your time, and please do the right thing. Swing for the fences and save us! Get rid of the IRS.

Sincerely,

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